



*8(A) Business Development  
Mentor-Protégé Program*



## *SBA Mentor-Protégé Program*

- *What Is the Purpose of the Mentor-Protégé Program?*
  - *To Encourage Potential Mentors to Provide Various Forms of Assistance to Eligible Participants.*
  - *To Serve As an Additional Developmental Tool for 8(a) Participants.*
  - *To Enhance the Capabilities of the Protégé and to Improve It's Ability to Successfully Compete for Larger Contracts through Joint Venture Agreements.*



## *SBA Mentor-Protégé Program*

- ➡ *What Type of Assistance Will the Mentor Provide the Protégé?*
  - ➡ *Technical and Management Assistance*
  - ➡ *Financial Assistance in the Form of Equity Investments or Loans*
  - ➡ *Sub-contractual Support*
  - ➡ *Assistance in Performing Prime Contracts Through Joint Venture (JV) Arrangements*



## *SBA Mentor-Protégé Program*

### *☞ What Are the Requirements to Become a Mentor?*

- ☞ A Mentor Can Be an 8(a) Participant in the Transitional Stage, a Firm That Has Graduated From the 8(a) Program, Another Small Business, or a Large Business. A Mentor Must Show Both a Commitment and the Ability to Assist a Protégé in the Program*
- ☞ A Mentor Must Demonstrate That It:*
  - Possesses Favorable Financial Health for the last 2 years*
  - Possesses Good Character*
  - Is Not on the Federal Debarred or Suspended List*
  - Can Provide Valuable Support to a Protégé*



## *SBA Mentor-Protégé Program*

### *What Are the Requirements to Become a Protégé?*

- *To Qualify As a Protégé, an 8(a) Participant Must:*
  - *Be in the Developmental Stage, OR*
  - *Have Never Received an 8(a) Contract, OR*
  - *Have a Size that is less than half the size standard for its Corresponding Primary Industry NAICS Code, AND*
  - *Be an 8(a) Participant in Good Standing*



## *SBA Mentor-Protégé Program*

- *How Many Protégés Can a Mentor Have?*
  - *Unless Approved by the Associate Administrator for 8(a) Business Development (AA/8(a)BD), a Mentor Can Have Only One Protégé at a Time.*
  - *The AA/8(a) BD Will Authorize a Mentor to Have More Than One Protégé Only If It Demonstrates That the Additional Mentor-protégé Relationship(s) Will Not Adversely Affect the Development of Either Protégé.*



## *SBA Mentor-Protégé Program*

### *What Are the Benefits of Participating in the Mentor-protégé Program?*

- *Joint Venture Arrangements*
- *Mentor Financing of the Protégé (up to 40% Equity Interest)*
- *The Protégé Is Eligible for Other SBA Assistance As a Small Business (Including Financial)*
- *No Determination of Affiliation or Control May Be Found Based on the Agreement or Any Assistance Provided Pursuant to the Agreement*





## *SBA Mentor-Protégé Program*

- *Can a Large Business and Small Business Joint Venture on Projects Under the Mentor-Protégé Program?*
  - *Yes - In Accordance With 13 C.F.R. 124.513(b)(3) - a Joint Venture Between an Approved Mentor and a Protégé Firm Will Be Deemed Small Provided the Protégé Qualifies As Small for the Size Standard Corresponding to the NAICS Code Assigned to the Procurement and Has Not Reached the Dollar Limit.*





## *SBA Mentor-Protégé Program*

- *Is There a Minimum Term for a Mentor-Protégé Agreement?*
  - *Yes. Under the agreement, the Mentor must provide assistance to the Protégé for at least one year.*



## *SBA Mentor-Protégé Program*

- *What Must a Mentor-Protégé Agreement Include?*
  - *Must Be in Writing*
  - *Must Include an Assessment of the Protégé's Needs*
  - *Must Include a Description of the Specific Assistance That the Mentor Will Provide to Address Those Needs*
  - *Must be for at least one year*
  - *Must include a provision that either party can terminate with 30 days advance notice to the other*



## *SBA Mentor-Protégé Program*

### *Who Approves a Mentor-Protégé Agreement and How Is It Approved?*

- *The Agreement is submitted to the BDS in the protégé's District Office*
- *District Office Recommends Approval or Disapproval of the Agreement and forwards the Agreement to Headquarters*
- *Associate Administrator for 8(a) Business Development approves or disapproves the Agreement*



## *SBA Mentor-Protégé Program*

- *When Will SBA Not Approve a Mentor-Protégé Agreement?*
  - *If the Assistance to be Provided is Not Sufficient to Promote Any Real Gains to the Protégé*
  - *If the Agreement is Just a Mechanism to Enable a Non-8(a) Participant to Receive 8(a) Contracts*



## *SBA Mentor-Protégé Program*

- *Can a Mentor-Protégé Agreement Be Modified Without SBA's Approval?*

***NO***



## *SBA Mentor-Protégé Program*

### *How Will SBA Annually Evaluate a Mentor-protégé Relationship?*

- *In Its Annual Business Plan Update, the Protégé Must Certify That the Mentor-protégé Agreement Has Not Been Modified Without Prior SBA Approval.*
- *The DO Will Review the Mentor-protégé Relationship Report As Part of the Annual Review of the Protégé's Business Plan*
  - *Reporting Requirements for Protégé Firms: The Annual Update Must Describe:*
    - *All Federal Contracts Awarded to the Mentor-protégé Relationship As Joint Ventures*



## *SBA Mentor-Protégé Program*

- *How Will SBA Annually Evaluate a Mentor-protégé Relationship?*
  - *A Narrative Describing Mentor's Success in Assisting Protégé ;*
  - *All Technical And/or Management Assistance Provided by Mentor;*
  - *All Loans Received From, or Equity Investments Made by the Mentor;*
  - *All Subcontracts Awarded by the Mentor, and the Value of Each Subcontract;*





## *SBA Mentor-Protégé Program*

- *How Will SBA Annually Evaluate a Mentor-protégé Relationship?*
  - *If Continuation of the Agreement Is Recommended, Then the ADD/8(a)BD Will Forward It's Recommendation to the DD for Final Approval.*



*SBA Mentor-Protégé Program*

■ *QUESTIONS?*



## *SBA Mentor-Protégé Program*

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